

**WORKFORCE SAFETY & INSURANCE**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006**

	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Net	Net	Ended 6/30/2006 Net	Ended 6/30/2006 Net
<b>LARGE CAP DOMESTIC EQUITY</b>																	
<i>Structured Growth</i>																	
Los Angeles Capital	17,403,233	1.4%	1.5%	1.60%	3.26%	16,875,205	1.4%	1.5%	2.18%	16,619,292	1.4%	1.5%	-3.70%	1.60%	11.12%	N/A	N/A
<b>Total Structured Growth</b>	<b>17,403,233</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.60%</b>	<b>3.26%</b>	<b>16,875,205</b>	<b>1.4%</b>	<b>1.5%</b>	<b>2.18%</b>	<b>16,619,292</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-3.70%</b>	<b>1.60%</b>	<b>11.12%</b>	<b>12.01%</b>	<b>-0.32%</b>
<i>Russell 1000 Growth</i>				3.94%	2.75%				3.12%				-1.90%		3.94%	8.35%	-0.76%
<i>Structured Value</i>																	
LSV	19,175,872	1.5%	1.5%	4.90%	1.86%	18,845,532	1.5%	1.5%	0.96%	18,788,651	1.6%	1.5%	2.02%	4.90%	15.05%	21.14%	12.22%
Russell 1000 Value				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>																	
LA Capital	34,713,548	2.8%	2.9%	3.71%	2.73%	33,833,082	2.8%	2.9%	2.09%	33,353,545	2.8%	2.9%	-1.11%	3.71%	11.58%	N/A	N/A
Russell 1000				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																	
Westridge	37,067,573	3.0%	2.9%	5.75%	2.60%	40,626,467	3.3%	2.9%	2.41%	39,921,212	3.3%	2.9%	0.65%	5.75%	8.77%	N/A	N/A
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<i>Index</i>																	
State Street	12,876,735			5.78%	2.76%	12,549,745			2.06%	12,369,971			0.85%	5.78%	9.51%	11.47%	2.62%
<b>Total Index</b>	<b>12,876,735</b>	<b>1.0%</b>	<b>1.0%</b>	<b>5.78%</b>	<b>2.76%</b>	<b>12,549,745</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.06%</b>	<b>12,369,971</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.85%</b>	<b>5.78%</b>	<b>9.51%</b>	<b>11.47%</b>	<b>2.62%</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>121,236,962</b>	<b>9.8%</b>	<b>9.8%</b>	<b>4.49%</b>	<b>2.66%</b>	<b>122,730,031</b>	<b>10.0%</b>	<b>9.8%</b>	<b>2.02%</b>	<b>121,052,671</b>	<b>10.0%</b>	<b>9.8%</b>	<b>-0.24%</b>	<b>4.49%</b>	<b>10.95%</b>	<b>13.63%</b>	<b>3.95%</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<b>SMALL CAP DOMESTIC EQUITY</b>																	
<i>Manager-of-Managers</i>																	
SEI	40,474,551	3.3%	3.3%	-0.01%	1.39%	36,826,539	3.0%	3.3%	2.29%	36,413,465	3.0%	3.3%	-3.59%	-0.01%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	21.06%	10.38%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>40,474,551</b>	<b>3.3%</b>	<b>3.3%</b>	<b>-0.01%</b>	<b>1.39%</b>	<b>36,826,539</b>	<b>3.0%</b>	<b>3.3%</b>	<b>2.29%</b>	<b>36,413,465</b>	<b>3.0%</b>	<b>3.3%</b>	<b>-3.59%</b>	<b>-0.01%</b>	<b>13.58%</b>	<b>18.20%</b>	<b>7.86%</b>
Russell 2000				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	18.70%	8.50%
<b>INTERNATIONAL EQUITY</b>																	
<i>Large Cap - Active</i>																	
Capital Guardian	39,409,923	3.2%	3.2%	5.02%	0.67%	38,970,538	3.2%	3.2%	3.59%	37,830,259	3.1%	3.2%	0.71%	5.02%	28.07%	20.99%	6.90%
LSV	38,460,224	3.1%	3.2%	6.24%	1.91%	37,571,693	3.1%	3.2%	3.01%	36,669,987	3.0%	3.2%	1.21%	6.24%	27.09%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>77,870,147</b>	<b>6.3%</b>	<b>6.4%</b>	<b>5.62%</b>	<b>1.28%</b>	<b>76,542,231</b>	<b>6.2%</b>	<b>6.4%</b>	<b>3.30%</b>	<b>74,500,247</b>	<b>6.2%</b>	<b>6.4%</b>	<b>0.95%</b>	<b>5.62%</b>	<b>27.66%</b>	<b>21.92%</b>	<b>12.63%</b>
MSCI EAFE - 50% Hedged				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>																	
Lazard	9,148,767	0.7%	0.8%	0.72%	0.34%	9,081,210	0.7%	0.8%	2.84%	8,871,078	0.7%	0.8%	-2.39%	0.72%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>																	
Vanguard	9,445,634	0.8%	0.8%	3.73%	1.91%	9,239,028	0.8%	0.8%	2.33%	9,066,265	0.7%	0.8%	-0.53%	3.73%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>96,464,547</b>	<b>7.8%</b>	<b>8.0%</b>	<b>4.93%</b>	<b>1.24%</b>	<b>94,862,468</b>	<b>7.7%</b>	<b>8.0%</b>	<b>3.16%</b>	<b>92,437,589</b>	<b>7.6%</b>	<b>8.0%</b>	<b>0.47%</b>	<b>4.93%</b>	<b>27.35%</b>	<b>23.83%</b>	<b>8.67%</b>
MSCI EAFE - 50% Hedged				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<b>DOMESTIC FIXED INCOME</b>																	
<i>Core Bond</i>																	
Western Asset	214,387,901	17.3%	17.3%	4.45%	0.90%	214,636,370	17.5%	17.3%	1.81%	211,362,911	17.5%	14.7%	1.67%	4.45%	-0.90%	7.36%	8.59%
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>																	
Clifton Group	49,450,914	4.0%	4.0%	N/A	1.09%	48,884,118	4.0%	4.0%	1.49%	48,276,452	4.0%	4.0%	N/A	N/A	N/A	N/A	N/A
Prudential	48,898,900	3.9%	4.0%	N/A	1.42%	48,383,346	3.9%	4.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>98,349,814</b>	<b>7.9%</b>	<b>8.0%</b>	<b>N/A</b>	<b>1.25%</b>	<b>97,267,463</b>	<b>7.9%</b>	<b>8.0%</b>	<b>1.49%</b>	<b>48,276,452</b>	<b>4.0%</b>	<b>4.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%				
<i>Index</i>																	
Bank of ND	94,294,224	7.6%	7.3%	3.10%	0.92%	93,361,448	7.6%	7.3%	1.05%	140,073,891	11.6%	11.5%	1.09%	3.10%	-1.14%	1.14%	4.90%
Bank of ND CD'S	2,290,001	0.2%	0.2%	1.33%	0.43%	2,280,226	0.2%	0.2%	1.44%	2,270,125	0.2%	0.2%	0.45%	1.33%	N/A	N/A	N/A
<b>Total Index</b>	<b>96,584,225</b>	<b>7.8%</b>	<b>7.5%</b>	<b>3.07%</b>	<b>0.91%</b>	<b>95,641,674</b>	<b>7.8%</b>	<b>7.5%</b>	<b>1.05%</b>	<b>142,344,015</b>	<b>11.8%</b>	<b>16.7%</b>	<b>1.09%</b>	<b>3.07%</b>	<b>-1.02%</b>	<b>1.09%</b>	<b>4.62%</b>
Lehman Gov/Credit (1)				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>																	
Wells Capital (formerly Strong)	214,330,011	17.3%	17.3%	4.60%	1.06%	214,248,959	17.4%	17.3%	1.97%	210,666,568	17.4%	14.7%	1.50%	4.60%	-2.11%	2.63%	N/A
Lehman US Credit BAA				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	2.63%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>623,651,951</b>	<b>50.4%</b>	<b>50.0%</b>	<b>4.30%</b>	<b>1.01%</b>	<b>621,794,467</b>	<b>50.6%</b>	<b>50.0%</b>	<b>1.75%</b>	<b>612,649,946</b>	<b>50.6%</b>	<b>50.0%</b>	<b>1.47%</b>	<b>4.30%</b>	<b>-1.35%</b>	<b>2.25%</b>	<b>5.52%</b>
Lehman Aggregate (2)				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	1.84%	5.28%
<b>TREASURY INFLATION PROTECTED SECURITIES (TIPS)</b>																	
Northern Trust Global Investments	135,265,251	10.9%	11.0%	3.51%	0.15%	136,852,128	11.1%	11.0%	1.73%	136,043,225	11.2%	11.0%	1.60%	3.51%	-1.53%	N/A	N/A
Western	135,529,802	10.9%	11.0%	3.85%	0.32%	137,081,797	11.2%	11.0%	1.94%	134,464,000	11.1%	11.0%	1.54%	3.85%	-1.94%	N/A	N/A
<b>TOTAL TIPS</b>	<b>270,795,053</b>	<b>21.9%</b>	<b>22.0%</b>	<b>3.68%</b>	<b>0.24%</b>	<b>273,933,925</b>	<b>22.3%</b>	<b>22.0%</b>	<b>1.83%</b>	<b>270,507,225</b>	<b>22.3%</b>	<b>22.0%</b>	<b>1.57%</b>	<b>3.68%</b>	<b>-1.74%</b>	<b>N/A</b>	<b>N/A</b>
LB US TIPS Index				3.63%	0.24%				1.73%				1.63%	3.63%	-1.64%	N/A	N/A
<b>REAL ESTATE</b>																	
JP Morgan	75,441,606	6.1%	6.0%	0.57%	-0.13%	75,238,370	6.1%	6.0%	0.27%	74,751,794	6.2%	6.0%	0.43%	0.57%	N/A	N/A	N/A
NCREIF Total Index				4.01%	1.32%				1.32%				1.32%	4.01%	18.23%	N/A	N/A
<b>CASH EQUIVALENTS</b>																	
Bank of ND	9,976,948	0.8%	1.0%	1.35%	0.42%	3,773,497	0.3%	1.0%	0.47%	2,871,090	0.2%	1.0%	0.45%	1.35%	4.50%	2.71%	2.42%
90 Day T-Bill				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	2.37%	2.25%
<b>TOTAL WSI</b>	<b>1,238,041,619</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.84%</b>	<b>0.95%</b>	<b>1,229,159,296</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.83%</b>	<b>1,210,683,781</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.02%</b>	<b>3.84%</b>	<b>3.45%</b>	<b>6.76%</b>	<b>5.44%</b>
<b>POLICY TARGET BENCHMARK</b>				3.92%	0.93%				1.79%				1.15%	3.92%	3.63%	6.36%	5.48%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.